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Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 PM-05 MCE-00 ACDA-07 TRSE-00 SS-15
SP-02 OMB-01 AID-05 IGA-02 INR-07 NSCE-00 CIAE-00
SSO-00 INRE-00 EB-08 L-03 H-01 /071 W
----------043138 250251Z /72-65
O 250030Z AUG 77
FM AMEMBASSY QUITO
TO SECSTATE WASHDC IMMEDIATE 5501
INFO USCINCSO QUARRY HTS CZ
SECDEF WASHDC

C O N F I D E N T I A L SECTION 1 OF 2 QUITO 5720
E.O. 11652: GDS
TAGS: MASS, EC
SUBJECT: ECUADOR'S AIR DEFENSE NEEDS

REF: A, QUITO 5591; B, QUITO 5592

1. I HAD MY MEETING WITH GEN. LEORO TODAY (AUGUST 24). ALSO PRESENT WERE GENERALS LUIS ABAD, CHIEF OF STAFF, GEN. JORGE PENA, DIRECTOR OF FINANCE, AND GEN. GUIDO SILVA, DIRECTOR OF MATERIEL. I TOLD GEN. LEORO THAT I WAS CALLING ON HIM IN AN EFFORT TO CLARIFY THE SITUATION WITH REGARD TO THE USG'S POSITIONS ON VARIOUS ASPECTS OF ECUADOR'S AIR DEFENSE REQUIREMENTS. I SAID THAT I WAS AFRAID THAT IN SOME CASES THE ECUADOREAN AIR FORCE (FAE) HAD RECEIVED INFORMATION FROM INTERESTED THIRD PARTIES THAT MIGHT NOT BE AN ACCURATE REFLECTION OF USG POLICY AND POSITIONS. I MADE A STRONG PITCH FOR THE RAYTHEON AIR TRAFFIC CONTROL SYSTEM ON THE GROUNDS THAT IT WAS OF EXCELLENT QUALITY AND COMPATIBLE WITH ANY ANTI-AIRCRAFT MISSILE THAT ECUADOR MIGHT CHOOSE TO BUY. I ADDED THAT IT WAS MY UNDERSTANDING THAT RAYTHEON WAS WILLING TO HELP THE FAE FIND A SUITABLE MISSILE EITHER IN THE UNITED STATES OR EUROPE. I THEN REVIEWED FOR HIM THE U.S. POSITION OR INTERCEPTOR AIRCRAFT AND THE I-HAWK MISSILE, PLACING THESE IN THE CONTEXT OF
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OUR MORE RESTRICTIVE GLOBAL CONVENTIONAL ARMS POLICY. I NOTED THAT THE ORIGINAL KFIR VETO HAD BEEN REAFFIRMED AS RECENTLY AS JUNE AND POINTED OUT THAT THE CRITERIA USED IN THAT DECISION MADE IT IMPOSSIBLE FOR US TO SELL THE F-4 IN LATIN AMERICA. (I DID NOT ALLUDE TO THE F-5E AS THAT AIRCRAFT HAS NEVER BEEN OFFICIALLY REQUESTED BY THE FAE AND I DID NOT WISH TO RUB SALT IN THE WOUND.) I POINTED

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OUT THAT THE I-HAWK WAS OUR MOST ADVANCED ANTI-AIRCRAFT MISSILE, THAT WE HAD NOT SOLD IT IN LATIN AMERICA, AND THAT ON THE SAME PRINCIPLES AS APPLIED TO THE KFIR AND F-4, WE WERE NOT IN A POSITION TO OFFER IT TO ECUADOR AT THIS TIME.

2. I THEN OPENED THE SUBJECT OF AN AIR DEFENSE SURVEY TEAM BY NOTING THAT THESE DECISIONS, WHICH HAD BEEN TAKEN AT A VERY HIGH LEVEL IN WASHINGTON, WERE PAINFUL FOR THE USG BECAUSE PRESIDENT CARTER TRULY WISHED TO ASSIST ECUADOR WITH ITS LEGITIMATE DEFENSE NEEDS, WHICH HE WAS WELL AWARE OF FROM MRS. CARTER'S VISIT. BECAUSE OF THIS DESIRE TO BE HELPFUL THE USG HAD REVIVED AN IDEA THAT HAD BEEN FLOTED SOME TIME AGO OF AN AIR DEFENSE SURVEY TEAM TO HELP ECUADOR DETERMINE ITS NEEDS IN THIS AREA. I SAID THAT THIS STUDY, HOWEVER, WOULD NOT COMMIT THE U.S. GOVERNMENT TO SELL ANY PARTICULAR EQUIP-MENT TO ECUADOR AND THAT I WAS SURE THAT THE STUDY WOULD IN NO WAY REOPEN THE QUESTION OF THE KFIR, F-4, OR I-HAWK. I CONCLUDED BY SAYING THAT THE U.S. WISHED TO CONTINUE ITS TRADITIONAL COOPERATION WITH THE FAE AND BE HELPFUL IN THOSE AREAS IN WHICH WE COULD WITHOUT CONFLICTING WITH OUR GENERAL ARMS POLICIES.

3. THE GENERAL THANKED ME FOR MY FRANKNESS AND STATED THAT HE WOULD BE EQUALLY CANDID. HE SAID THAT THE FAE HAD ALWAYS WISHED TO BUY AMERICAN EQUIPMENT AND HAD TURNED TO
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THE ISRAELIS ONLY WHEN IT BECAME OBVIOUS THAT WE WOULD NOT SELL THE F-4. HE SAID THAT ALTHOUGH THE FAE CONTINUED TO DISAGREE WITH OUR LOGIC ON THE KFIR SALE IT AT LEAST HAD BECOME RECONCILED TO THE DECISION. THEY, OF COURSE, WOULD HAVE TO CONTINUE TO LOOK FOR A SUITABLE INTERCEPTOR IN OTHER MARKETS. THE DECISION ON THE I-HAWK WAS ALSO A SOURCE OF GREAT DISAPPOINTMENT TO THEM. LEORO REITERATED WHAT HE HAS TOLD ME A NUMBER OF TIMES, NAMELY THAT THEY WISHED TO BUY THE ANTI-AIRCRAFT MISSILE AND THE RADAR FROM THE SAME COUNTRY AND, IF POSSIBLE, FROM THE SAME COMPANY. HE SAID THAT THEY FELT QUITE STRONGLY ABOUT THIS AND WERE NOT WILLING TO TAKE RAYTHEON'S WORD FOR THE EASE OF COMBINING ITS SYSTEM WITH THOSE OF NON-U.S. MANUFACTURE.

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SSO-00 INRE-00 EB-08 L-03 H-01 /071 W
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O 250030Z AUG 77
FM AMEMBASSY QUITO
TO SECSTATE WASHDC IMMEDIATE 5502
USCINCSO QUARRY HTS CZ
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C O N F I D E N T I A L SECTION 2 OF 2 QUITO 5720

4. IN THE LATTER CONNECTION, SAID LEORO, HE HAD BEEN INFORMED BY AMBASSADOR YCAZA THAT A STATE DEPARTMENT OFFICIAL HAD TOLD HIM THAT THE U.S. MIGHT BE WILLING TO SELL A MISSILE OTHER THAN THE I-HAWK AND THAT, WHILE THIS DID NOT CONSTITUTE AN OFFER, THE DEPARTMENT MIGHT ENTERTAIN SUCH A REQUEST FAVORABLY. LEORO SAID THAT IN VIEW OF THE AVAILABILITY OF THE I-HAWK, AND THEIR DESIRE TO BUY BOTH RADAR AND MISSILES FROM THE SAME COUNTRY, THE FAE WOULD BE MOST INTERESTED IN MORE DETAILS REGARDING THE POSSIBILITY OF AN ALTERNATIVE MISSILE FROM THE U.S. HE ASKED ME TO HELP OBTAIN A CONCRETE STATEMENT FROM THE USG AS WHAT IT WOULD BE WILLING TO OFFER ALONG THESE LINES. HE SAID THE FAE WAS MOST ANXIOUS TO COME TO A DECISION ON THIS MATTER, WHICH HAD BEEN HANGING FIRE FOR TOO LONG.

5. IN REGARD TO THE AIR SURVEY TEAM LEORO COMPLETELY EVADED COMMENTING ON IT IN SPITE OF THE FACT THAT I RAISED IT AT LEAST TWICE DURING THE CONVERSATION. I TAKE THIS TO MEAN THAT HE IS EITHER UNINTERESTED IN THE SURVEY TEAM OR SIMPLY WANTS TO CONSIDER THE MATTER FURTHER BEFORE GIVING AN ANSWER. MY HUNCH IS THAT IT IS THE FORMER.

6. COMMENT. I ASSUME THAT THE OTHER MISSILE SYSTEM THAT
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YCAZA IS TALKING ABOUT IS THE VULCAN/CHAPPAREL. I BELIEVE THAT THIS DEVELOPMENT PRESENTS US WITH AN UNEXPECTED OPPORTUNITY TO DO SOMETHING POSITIVE BOTH IN TERMS OF OUR ARMS/SALES OBJECTIVES AND OUR RELATIONS WITH ECUADOR. IF ECUADOR WOULD BUY THIS RELATIVELY UNSOPHISTICATED AND MODERATELY PRICED WEAPON, RATHER THAN SOME EUROPEAN VERSION OF THE HAWK SUCH AS THE ROLAND, IT WOULD BE A STEP TOWARDS MODERATION IN THE ANDEAN ARMS PICTURE. IT WAS ALSO OBVIOUS

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TO ME THAT LEORO HAS BEEN CONVINCED BY HIS COLLEAGES THAT
RAYTHEON OFFERS THE BEST EQUIPMENT AND TECHNICAL BACKUP
ON THE RADAR AND THAT HE IS READY TO GIVE UP HIS PREVIOUS
OPPOSITION TO RAYTHEON PROVIDED THAT HE CAN GET A SUITABLE
MISSILE TO GO WITH THE SYSTEM. AS FOR THE AIR SURVEY
TEAM I BELIEVE THAT IT, BY ITSELF, WITHOUT ANY LINK TO
A WILLINGNESS ON OUR PART TO SUPPLY SPECIFIC WEAPONS SYSTEMS,
IS NOT GOING TO BE ACCEPTABLE TO THE FAE. IF WE CAN MAKE A
DECISION THAT WE ARE WILLING TO SELL ECUADOR THE VULCAN/
CHAPPAREL, SHOULD A STUDY FIND THAT IT IS A SUITABLE
DEFENSIVE WEAPON FOR ECUADOR'S NEEDS, THEN I THINK WE CAN
PUT THE KFIR AND I-HAWK DISAPPOINTMENTS BEHIND US AND
MAKE A CONVINCING CASE TO THE GOE AND OTHER CONCERNED
ECUADOREANS THAT WE ARE INDEED ATTEMPTING TO TAKE ACCOUNT
OF THEIR LEGITIMATE CONCERNS REGARDING NATIONAL SECURITY,
WHILE AT THE SAME TIME BEING FAITHFUL TO OUR OWN DESIRES
TO FOLLOW A RESTRICTIVE ARMS SALES POLICY. THE LIKELIHOOD
OF SUCH A CHANGE IN PERCEPTIONS HERE WOULD BE REINFORCED
IF WE COULD ALSO INCREASE IMET FUNDS TO ECUADOR TO PERMIT
AN EXPANDED PILOT-TRAINING PROGRAM, AS I HAVE RECOMMENDED
IN REF. B.

7. RECOMMENDATION. I RECOMMEND THAT THE USG DECIDE
THAT IN PRINCIPLE IT IS WILLING TO SELL ECUADOR THE
VULCAN/CHAPPAREL, PROVIDED THAT A STUDY INDICATES THAT
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IT IS A SUITABLE ANTI-AIRCRAFT DEFENSE SYSTEM FOR ECUADOR.
I FURTHER RECOMMEND THAT THE TERMS OF REFERENCE OF THE
AIR DEFENSE SURVEY TEAM BE AMENDED TO MAKE ITS PRINCIPAL
OBJECTIVE A STUDY OF THE SUITABILITY OF THE VULCAN/CHAPPAREL,
TO PROVIDE THAT SUCH A SURVEY WILL BE FUNDED BY THE USG,
AND TO ALLOW ITS FINDINGS TO BE MADE KNOWN TO THE GOVERNMENT
OF ECUADOR, AT LEAST IN SOME EDITED FORM. I ASSUME THAT
A SURVEY TEAM WITH SUCH A MISSION COULD CONSIST OF A
RELATIVELY SMALL NUMBER OF EXPERTS. IT IS ALSO MY HOPE
(I AM AN ETERNAL OPTIMIST) THAT THESE DECITHER RECOMMENDA-
TION THAT WE FIND IN FY 77 OR FY 78 FUNDS THE FEW HUNDRED

THOUSAND DOLLARS THAT IT WILL TAKE TO BEEF UP THE PILOT
TRAINING PROGRAM FOR ECUADOR. BLOOMFIELD

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